

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Attorney Docket No. **020431.0750**

In re Application of:

**NOEL TENORIO**

Serial No. **09/750,617**

Filed: **20 DECEMBER 2000**

For: **SYSTEM AND METHOD FOR  
NEGOTIATING ACCORDING TO  
IMPROVED MATCHING CRITERIA**

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Examiner:

**LALITA M. HAMILTON**

Art Unit: **3624**

Confirmation No.: **6553**

**REPLY BRIEF**

**MAIL STOP: APPEAL BRIEF - PATENT**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir/Madam:

Appellant respectfully submits this Reply Brief under 37 C.F.R. § 41.41(a)(1) in response to the Examiner's Answer mailed 10 May 2007, which provides for a response period ending 10 July 2007.

## **REMARKS:**

The Appellant filed an Appeal Brief on 6 April 2006 explaining clearly and in detail why the final rejection of Claims 1-70 is improper and why the Board should reverse this final rejection. On 3 July 2006, an Examiner's Answer was mailed setting forth, in Section 8, no evidence for the rejection of the claims under appeal. The Appellant filed a Reply Brief on 11 September 2006 specifically addressing the rejections contained in the Examiner's answer of 3 July 2006, in light of the Final Office Action mailed 16 December 2004. The Board of Patent Appeals and Interferences thereafter on 2 April 2007 mailed an Order Returning Undocketed Appeal to Examiner with specific instructions to include the missing references under the Evidence Relied Upon section, heading 8, of the Examiner's Answer. On 10 May 2007, an Examiner's Answer was mailed setting forth, for the first time, evidence relied upon in the statement of rejections. The specific evidence relied upon by the Examiner will be examined in more detail below. The instant reply brief sets forth in detail why the Board should reverse this final rejection. As explained in more detail below, the Examiner's final rejection of these claims cannot be properly maintained. Appellant respectfully requests the Board to reverse this final rejection and instruct the Examiner to issue a Notice of Allowance with respect to these claims.

### **The Examiner Fails to Fully and Clearly State the Grounds of Rejection**

As a threshold issue, MPEP §707.07(d) sets forth that "where a claim is refused for any reason relating to the merits thereof it should be 'rejected' and the **ground of rejection fully and clearly stated**..." (Emphasis added). MPEP §707.07(d)

In the present matter, the Examiner has consistently failed to "fully and clearly state" the grounds of rejection as required by MPEP §707.07(d). While the Examiner recites at length the specific elements of the disclosure allegedly contained in the prior art, both in the Grounds of Rejection sections as well as the Response to Arguments sections,

the Examiner nevertheless completely fails to connect or otherwise fully or clearly state *how* exactly those elements actually relate to the claims of the instant Application.

The absence of a full and clear explanation as to the grounds of rejection not only stands contrary to MPEP §707.07(d), it likewise makes it difficult to know exactly upon which facts or elements in particular, and in what manner, the Examiner is basing the rejection.

The absence of a full and clear explanation is especially clear when examining section 9 of the Examiner's Answer mailed 10 May 2007.

Section 9 of the Examiner's Answer mailed 10 May 2007, like section 9 of the 3 July 2006 Examiner's Answer, consists entirely of material repeated verbatim from the Final Office Action mailed 16 December 2004.

For example, in Section 9, the Examiner asserts (once again) that:

May discloses a method and corresponding computer-implemented system, means, and software for reverse auction of financial instruments comprising conducting an automatic negotiation, a database operable to store profiles for parties to the negotiation, each profile specifying values for one or more parameters being negotiated.

Even if the Examiner's characterization of the elements of the disclosure contained in May were accurate, which they are not, it can be seen from the foregoing that the Examiner completely fails to fully and clearly state *how* the elements in *May*, apply to the claims of the instant application.

Moreover, based upon the fact that the Examiner has rejected the claims of the present application by citing *May*, as allegedly being prior art, it is clear that the Examiner somehow believes that the claims of the present application are anticipated by *May*. However, one of the problems is, the Examiner has not articulated in any manner whatsoever, let alone fully and clearly, just *how* the claims of the present application are anticipated by *May*.

In the absence of the application of the disclosure in *May* to the claims of the present case, the Examiner's recitation of the prior art is merely conclusory and ultimately fails to satisfy the requirements of the MPEP as set forth in §707.07(d).

For example, the Examiner's Answer merely says what *May* is, but makes no comparison between the allegedly anticipatory disclosure of *May* and the claims of the present application. If the Examiner did in fact proceed through such an analysis, it would be clear that the claims of the present application are clearly patentably distinguishable, and therefore allowable, from the disclosure in *May*. Unfortunately, such analysis, if it did occur, never made it onto the record.

Without such analysis, the Examiner's assertion is merely – a conclusory assertion devoid of predicate reasoning. The lack of any analysis or application of facts from *May* to the instant application not only makes difficult the task of drafting a specific reply on the merits, it likewise fails to satisfy the requirements of §707.07(d).

Notwithstanding the fact that the Examiner has failed to fully and clearly state the grounds of rejection, it will be clearly shown herein, that the Appellant's claims are patentably distinguishable over the prior art.

### **Appellant's Claims are Patentably Distinguishable Over the Cited References**

As set forth in more detail below, Appellant's claims are patentably distinguishable, and therefore allowable, over the cited references.

Section 10 of the Examiner's Answer, mailed 10 May 2007, consists of four paragraphs.

The first paragraph consists entirely of referring the reader to previous information contained in the Interview Summaries submitted on 2 March 2006 and 27 December 2005. The second and third paragraphs consist entirely of material repeated verbatim from the Final Office Action mailed 12 August 2005. The fourth paragraph consists of material repeated from the Office Action mailed 16 December 2004.

Below, the Appellant's specifically address the second, third, and fourth paragraphs of Section 10 of the Examiner's Answer

In the second paragraph of Section 10 of the Examiner's Answer, the Examiner asserts (in reference to independent Claim 1 of the subject Application):

*May* discloses a database operable to store profiles, where each profile specifies values for one or more parameters being negotiated (user may enters profiles which are then stored when requesting an "Request for Price" quote; the RFP specifies the values of one or more parameters being negotiated-p. 30, 374-377); a matching server operable to compute a distance between values in an offer and values in the profile of the second party (the system is capable of computing a distance between the values in an offer and values in the profile of a second party when conducting an RFP to determine the best match); and causing the offer to be accepted if the distance is acceptably small and modifying values of the offer if the distance is not acceptably small (RFP is accepted if it meets the requirements entered into the system or comes very close to meeting the requirements entered into the system; ***[in May] if the RFP is not acceptable-distance not acceptably small, then a response to the bid changing parameters-counteroffer-may be submitted***). (10 May 2007 Examiner's Answer, Page 9). (Emphasis Added).

The Appellant respectfully disagrees with the Examiner.

Significantly, during a telephone interview conducted on 1 December 2005, Appellant requested clarification with respect to the above emphasized Examiner's assertion, pointing out that in *May* the system allows a user to change values. The Examiner confirmed that rejection was based on the capability of the *May* system to allow a user to change values. (See Supplemental Interview Summary of Examiner, 06 December 2005).

Given that the Examiner has conceded that *May* only ***allows*** for a user to change values, whereas independent Claim 1 ***requires*** that the server ***automatically*** changes values, Appellant is unclear as to why the present rejection is being maintained

The Examiner confirmed that the rejection was based on the capability of the *May* system to allow a user to change values.

Stated another way, whereas independent Claim 1 of the present application **requires** that the server **automatically** change values, the claim allegedly at issue in *May* only **allows** a user to change values.

Among other things, the plain meaning of the terms at issue leaves no doubt that the required automatic changing of values in the present application is clearly patentably distinguishable, and therefore allowable, over the option to change values in *May*.

Therefore, since *May* fails to disclose all of the limitations of independent Claim 1, as acknowledged by the Examiner, *May* simply cannot anticipate independent Claim 1.

As set forth in the MPEP §2131, “a claim is anticipated only if **each and every element** as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” (MPEP § 2131, citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

Accordingly, the Appellant respectfully submits that since it is clear that *May* fails to disclose all of the limitations of independent Claim 1, the rejection of independent Claim 1 is improper under 35 U.S.C. § 102, and that the Board should reverse this rejection.

It should be pointed out that the Examiner fails to show that the elements of independent Claim 1 of the present application are expressly or inherently disclosed in *May*.

### **Erroneous Legal Standard in Rejecting the Claims on Anticipation Grounds**

As shown above, the claims of the present application are clearly patentably distinguishable, and therefore allowable over the disclosure of *May* on substantive grounds.

Furthermore, in addition to the issues with the Examiner’s Answer noted to this point, the Examiner has applied an erroneous legal standard in rejecting the claims under 35 U.S.C. 102(e).

Specifically, in the Examiner's Answer the Examiner states that the "Examiner is interpreting *May* as reading onto the invention ***substantially as claimed.***" (10 May 2007 Examiner's Answer, Page 9). (Emphasis Added).

It is respectfully pointed out that "***substantially as claimed***" is not the correct legal standard for establishing a *prima facie* case of anticipation.

It is well settled that a claim is anticipated by a prior art reference ***only*** if the reference discloses or inherently describes ***every detail*** of the claim.

As set forth in the MPEP, "[a] claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. (MPEP § 2131, citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987)).

As noted in the preceding section, *inter alia*, since independent claim 1 of the present application ***requires*** that the server ***automatically*** change values, while the claim allegedly at issue in *May* only ***allows*** a user to change values, ***each and every element*** of independent Claim 1 has not, and cannot, be found in *May*.

Thus, using the proper legal standard as set forth in MPEP § 2131, it is clear that there is no anticipation of this claim

Additionally, according to the MPEP, "[T]he identical invention must be shown in as complete detail as is contained in the ... claim." (*Id.*, citing *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989)).

Once again, since the invention in independent Claim 1 is not identically disclosed in *May*, the Appellant respectfully submits that the rejection of independent Claim 1 is improper under 35 U.S.C. § 102 and that the Board should reverse this rejection.

## The Examiner Fails to Establish a *Prima Facie* Case of Obviousness

In the third paragraph of Section 10 of the Examiner's Answer, the Examiner asserts (in reference to dependent Claim 5 of the subject Application):

*May* is silent with regard to formulas that may be used to calculate distance in the auction system. *Li* teaches an auction management system in which various formulas are used to calculate constraints (Examiner is interpreting as being used to calculate a distance between values in an offer and values in the profile of a second party). The formulas taught by *Li* are not limited, and the system may be used to input any formula used to calculate constraints/distance. The Examiner has found motivation to combine in the fact that both *May* and *Li* disclose and suggest auction management systems in which parameters are used in negotiation; however, *May* is silent as to formulas that may be used in determining which offers to accept and reject. (3 July 2006 Examiner's Answer, Page 10). (Emphasis Added).

The Appellant respectfully disagrees with the Examiner.

The above cited portion of the Examiner's answer is once again merely repeated verbatim from the Final Office Action mailed 12 August 2005.

The Appellant nevertheless respectfully submits that the proposed combination of *May* and *Li* fails to disclose, teach, or suggest the specific way in which distance is calculated according to Claim 5, where "**distance**" is **a distance between values in an offer from a first party and values in a profile of a second party**.

The Examiner concedes that *May* is silent in this regard, instead relying on alleged teaching of *Li*.

With respect to *Li*, the Examiner's Answer indicates that *Li* discloses formulas to calculate constraints, which the Examiner interprets as being used to calculate a distance between values in an offer and in a profile.

Notwithstanding the fact that the combination of *May* and *Li* fails to suggest the specific way in which distance is calculated according to Claim 5 of the present



application, where “*distance*” is a distance between values in an offer from a first party and values in a profile of a second party, the Appellant respectfully submits that it remains unclear *how* exactly the Examiner arrived at this interpretation.

Additionally, it is respectfully pointed out that the standards set forth by the MPEP require that ***all*** of the limitations of the claim must be taught or suggested by the prior art in order to establish a *prima facie* case of obviousness:

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). (MPEP § 2143.03).

While *Li may* teach the *general* use of formulas, this fact alone is insufficient to establish a *prima facie* case of obviousness, since *Li* (in conjunction with *May*) fails to disclose, teach, or suggest the *specific* way in which distance is calculated according to Claim 5.

Once again, the combination of *May* and *Li* fails to suggest the specific way in which distance is calculated according to Claim 5 of the present application, where “*distance*” is a distance between values in an offer from a first party and values in a profile of a second party.

Since the combination of *May* and *Li* fails to disclose, teach or suggest all of the claim limitations of dependent Claim 5, the Appellant respectfully submits that the rejection of Claim 5 is improper under 35 U.S.C. § 103 and the Board should reverse this rejection.

### ***May* is Not Valid Prior Art**

In the fourth paragraph of Section 10 of the Examiner's Answer, the Examiner asserts that *May* is valid prior art. The Appellant respectfully disagrees with the Examiner. The Appellant respectfully submits that the subject Application was filed 20 December 2000. Nevertheless, *May* was not filed until 11 June 2001. Therefore, because the filing

date of *May* is after the filing date of the present application, *May* is not properly citable as prior art under 35 U.S.C. § 102(e).

It is noted, however, that *May* claims priority to two provisional applications, filed 14 June 2000 and 9 June 2000, respectively. For this reason, it was initially requested by counsel for Appellant that a showing be made under MPEP 2136.03 that “the provisional application(s) properly supports the subject matter relied upon to make the rejection in compliance with 35 U.S.C. 112, first paragraph.”

Notwithstanding the above request, the Examiner declined to provide such a showing, instead making an allegation that the “Applicant acquiesced”. (15 November 2005 Advisory Action, Page 2).

During a telephone conversation on 17 November 2005, and again during the telephone interview on 1 December 2005, Applicant requested that the Examiner explain the basis of the alleged allegation. Nevertheless, both times the Examiner was unable to cite a rule or other authority to support the Examiner’s allegation. The Applicant respectfully submits that this referring to *May* as prior art is baseless and contrary to fact.

Therefore, the Appellant respectfully submits that *May* is not valid prior art and the Board should reverse the rejection of Appellant’s claims over *May*. However, in the event that *May* continues to be relied upon for rejecting claims of the subject Application, the Appellant respectfully requests the Board to instruct the Examiner to show under MPEP 2136.03 that “the provisional application(s) properly supports the subject matter relied upon to make the rejection in compliance with 35 U.S.C. 112, first paragraph.”

For at least the reasons set forth herein, the Appellant’s claims are patentable over the cited references. The Appellant respectfully submits that the rejection of Appellant’s claims is improper and the Board should reverse this rejection.

**CONCLUSION:**

The Appellant has demonstrated that the present invention, as claimed, is clearly patentable over the prior art cited by the Examiner. Accordingly, the Appellant respectfully requests the Board of Patent Appeals and Interferences to reverse the final rejection of the Examiner and instruct the Examiner to issue a notice of allowance of all claims.

Although the Appellant believes no fees are deemed to be necessary; the undersigned hereby authorizes the Commissioner to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**.

**Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.**

Respectfully submitted,

10 July 2007  
Date

/Steven J. Laureanti/signed  
Steven J. Laureanti, Registration No. 50,274

BOOTH UDALL, PLC  
1155 W. Rio Salado Pkwy., Ste. 101  
Tempe AZ, 85281  
214.636.0799 (mobile)  
480.830.2700 (office)  
480.830.2717 (fax)  
steven@boothudall.com

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